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Secretary  
Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
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James W. Gardner  
Chairman

Daniel E. Logsdon Jr.  
Vice Chairman

J. Roger Thomas  
Commissioner

March 14, 2016

**PARTIES OF RECORD**

Re: Case No. 2015-00281

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum please do so within five days of receipt of this letter. If you have any questions, please contact Jonathan Beyer, Commission Counsel, at 502/782-2581.

Sincerely,

A handwritten signature in blue ink that reads "Stephanie Bell".

James W. Gardner  
Acting Executive Director

Enclosures

**INTRA-AGENCY MEMORANDUM ADDENDUM**

**KENTUCKY PUBLIC SERVICE COMMISSION**

**TO:** Case File – Case No. 2015-00281

**FROM:** Jonathan Beyer, Staff Attorney

**DATE:** March 14, 2016

**RE:** Informal Conference of March 2, 2016

Pursuant to the Commission's February 18, 2016 Order, an informal conference was held in this matter on March 2, 2016. A list of attendees is attached.

Beginning the conference, Mr. Isaac Scott with East Kentucky Power Cooperative, Inc. ("EKPC") provided an overview of the alternative environmental surcharge calculation methodology as proposed by its sixteen member cooperatives. Mr. Scott stated that any difference in over or under recoveries between the current methodology and the proposed methodology will always be the previously authorized amortization.

Mr. Scott answered questions from Commission Staff regarding the operation and calculations involved in the proposed alternative methodology. Commission Staff suggested that an additional column be added to the form to provide the amortizations from past cases. Mr. Scott suggested including this information below the proposed calculation, which Commission Staff agreed was reasonable.

The parties discussed whether a hearing would be necessary and Commission Staff advised that EKPC could request to submit the case on the record and the Commission would review the issues and later determine if a hearing is necessary. Next, Commission Staff requested an additional example of the proposed methodology utilizing the figures for Owen Electric Cooperative ("Owen"), which Owen agreed to provide in consultation with EKPC. Finally, Farmers Electric Cooperative ("Farmers") stated that it would supplement its previous filing to request a six month rather than a twelve month amortization.

Finding that no party had any further questions the conference was adjourned.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE )  
COMMISSION OF THE ENVIRONMENTAL ) CASE NO.  
SURCHARGE MECHANISM OF EAST KENTUCKY ) 2015-00281  
POWER COOPERATIVE, INC. FOR THE SIX- )  
MONTH BILLING PERIODS ENDING JUNE 30, )  
2014 AND DECEMBER 31, 2014, FOR THE TWO- )  
YEAR BILLING PERIOD ENDING JUNE 30, 2015, )  
AND THE PASS THROUGH MECHANISM FOR ITS )  
SIXTEEN MEMBER DISTRIBUTION )  
COOPERATIVES )

March 2, 2016

Please sign in:

NAME

REPRESENTING

Jonathan Bayer

PSC

Ron Handziak

PSC

RICHARD RAFF

PSC-LEGAL

AARON GREENWELL

PSC

ISAAC SCOTT

EKPC

David Samford

Goss Samford, PLLC - EKPC

Patrick Woods

EKPC

Michelle Herrman

South Kentucky RECC

Mark Stallons

Owen Electric

Jim Crawford

Owen Elect

Jennie Phelps

Farmers RECC

Owen Electric  
 PSC  
 STEPC  
 Salt River Electric  
 PSC-FA  
 Cumberland Valley  
 Inter-County Energy  
 Clark Energy  
 Big Sandy RECC  
 Inter-County Energy  
 Shelly Energy  
 Shelly Energy  
 Shelly Energy  
 Licking Valley  
 Licking Valley  
 Greyson RECC  
 Licking Valley  
 Big Sandy RECC  
 Jackson Energy  
 Bluegrass Energy  
 Taylor RECC  
 Taylor RECC  
 Taylor RECC  
 Owen Electric  
 Nolin RECC  
 Fleming Mason  
 Licking Valley

Telephone call

Ann Wood  
 Bob Hussie II  
 Jeff Greer  
 Eddie Boone  
 Mary Whitaker  
 Robert Tolliver  
 Jim Jacobs  
 Holly Eades  
 Brian Frasier  
 Shree Gilliam  
 Mary Federle  
 Debbie Martin  
 John May  
 Bradley Cherry  
 Harry Howard  
 David Estep  
 Mark Keene  
 Mike Williams  
 Barry Myers  
 Patsy Walters  
 Mike Codd  
 Michael O'Brien  
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